

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE**

THE VENEZUELA PARTIES' JOINT RESPONSE TO THE 2020 BONDHOLDERS' OBJECTIONS TO LONG-FORM SPA

The Bolivarian Republic of Venezuela (the “Republic”), Petróleos de Venezuela, S.A. (“PDVSA”), PDV Holding, Inc. (“PDVH”), and CITGO Petroleum Corporation (“CITGO” and, together with the Republic, PDVSA, and PDVH, the “Venezuela Parties”), respectfully submit the following response to the objections to the Special Master’s long-form Stock Purchase Agreement (“SPA”) filed by the 2020 Bondholders (D.I. 1558).¹

ARGUMENT

I. The 2020 Bondholders' Objection is Baseless and Untimely.

The 2020 Bondholders urge the Court to “consider making clear” that “any bid that raises financing secured by CITGO assets without [their] consent” should be “strongly disfavored by both the Special Master and the Court.” D.I. 1558 at 5. This objection is baseless and untimely.

Although it is not entirely clear, the target of the 2020 Bondholders' objection appears to be whether and how a bidder can use CITGO assets to "raise financing" to "fund bids for the

¹ As with the Venezuela Parties' other filings, nothing in this filing should be construed to imply the Venezuela Parties' consent to a forced sale under any circumstances. The Venezuela Parties preserve all rights and positions, including on appeal.

PDVH Shares” in light of the 2020 Bondholders’ purported lien on shares of CITGO Holding. D.I. 1558 at 2. But the Court already addressed this issue and rejected the 2020 Bondholders’ position in its January 27, 2025 Order (the “January 27 Order”). There, the Court explicitly agreed with the positions of the Special Master and the Venezuela Parties, holding that while a third-party *bidder* has “no right to bind, control, or ‘utilize’ PDVH’s assets or the assets of its subsidiaries” before closing, once “the PDVH Shares change hands,” if the *buyer* “desires to utilize [CITGO] cash/assets after closing,” it will be “free to do so.” D.I. 1554 at 16 (quoting D.I. 1543 at 6; D.I. 1542 at 3). And the Court also determined that “[t]he SPA . . . shall NOT include any requirement or condition with respect to the 2020 Bond Entities” other than to acknowledge the existence of their purported claims on a percentage of the equity of CITGO Holding, Inc., D.I. 1517 at 11–12 (emphasis in original), a holding that it has since reaffirmed in the face of further objections from the 2020 Bondholders. D.I. 1554 at 23 (ordering that “the SPA will not include any requirement or condition with respect to the” 2020 Bondholders”). The Special Master’s long-form SPA conforms precisely to the Court’s prior orders. *See* D.I. 1557-1 at 43, § 5.9 (“The Buyer acknowledges the existence of the 2020 Bonds, the Purported Equity Pledge and the Equity Pledge Litigation.”); *see also id.* at 72, n. 28 (explaining that as “[n]o closing conditions, trust/escrow constructs or similar revisions impacting certainty of funds payable relating to the 2020 bonds will be included.”).

Moreover, to the extent this question has not already been decided, the 2020 Bondholders’ objection is premature, as they seem to recognize. *See* D.I. 1558 at 4. It remains to be seen whether the winning bid will propose any financing from or secured by the assets of CITGO or CITGO Holding. Even if it does, an agreement between the Special Master and the recommended bidder does not itself authorize any such use post-sale. And the Venezuela Parties believe that the 2020

Bondholders' purported lien will ultimately be ruled invalid and that, in any event, the Pledge Agreement does not grant the 2020 Bondholders the rights they claim.

CONCLUSION

For the foregoing reasons, the Venezuela Parties respectfully request that the Court reject the 2020 Bondholders' efforts to make an untimely modification to the debt financing provisions of the SPA.

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